

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 255 – HB 710**

March 5, 2021

**SUMMARY OF BILL:** Authorizes a hospital closed for 15 years or less to resume operations without a certificate of need (CON) in certain circumstances. Requires the party re-establishing a hospital to apply for a CON within 12 months of renewing its license with the Department of Health (DOH). Requires the DOH to review the license renewal application and to notify the applicant of its determination within 60 days.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation is only applicable to hospitals:
  - Previously licensed or at the proposed location of another hospital that was previously licensed;
  - Located within counties whose population is below 49,000 or have been designated as a Tier 2, Tier 3, or Tier 4 Enhancement County by the Department of Economic and Community Development; and
  - That have been closed for 15 years or less.
- Application fees from the CON process will be collected to cover the cost of the review within 12 months of any hospital who seeks to renew its license and resume operations.
- CON fee revenue to the Health Services Development Agency (HSDA) could shift by up to one year as a result of the proposed legislation; however, the net impact to HSDA is not significant.
- The DOH can review any hospital license renewal applications, and if approved, can issue any licenses utilizing existing resources without an increased appropriation or reduced reversion.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, stylized 'B' and 'S'.

Bojan Savic, Interim Executive Director

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